



**United States Department of Agriculture
Rural Development
Oregon State Office**

November 24, 2004

SUBJECT: Guaranteed Rural Housing (GRH) Program
Exception Authority – First Floor Habitable Space Elevation
Below the 100-Year Flood Plain Level

TO: Rural Development Managers
Area Managers
State Environmental Coordinator
USDA, Rural Development
Oregon

PURPOSE/INTENDED OUTCOME:

This AN continues authority issued under a previously issued AN/exception authority on this subject. RD Instruction 426.2 was published in 1974, and is currently under revision. For Single Family Housing under the Rural Housing Program, it is expected that the revised instruction will no longer require that a dwelling's first floor habitable elevation be above the 100-year flood plain base elevation measurement. Removal of the first floor elevation requirement will allow the Agency to better serve rural residents who need to purchase homes or improve their existing homes. The Agency's interest will be protected in that the appropriate level of flood insurance will be maintained on all affected houses.

COMPARISON WITH PREVIOUS AN:

This release replaces AN 1255 issued September 17, 2003 and substantially remains the same.

EXPIRATION DATE:
October 31, 2005

FILING INSTRUCTIONS
Preceding RD Instruction 1940-G and 426.2

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IMPLEMENTATION RESPONSIBILITIES:

National Office has granted extended authority to Oregon and authorized an exception to the current RD Instruction 426.2, which requires the first floor habitable elevation to be above the 100-year flood plain base elevation. This exception, however, is subject to the following conditions:

1. This exception authority applies to Fiscal Year 2005 and 2006 Section 502 Guaranteed loans only.
2. All of Rd Instruction 1940-G requirements must be met. These requirements include:
 - a. Obtain a FEMA Form 81-93, Standard Flood Hazard Determination” from the lender.
 - b. Agency approval officials must continue to complete Form 1940-21, “Environmental Assessment for Class 1 Action”. The alternative analysis should be documented as an Exhibit to Item 7 of the form.
 - c. Agency approval officials must continue to document the file with a “Finding of No significant Environmental Impact (FONSI)”. See Exhibit I to RD Instruction 1940-G.
 - d. The Agency must continue provide a private party notification to the applicant(s) of the hazards associated with locating within a flood plain.
3. All other applicable loan program requirements must be met.

Should you have any questions regarding this exception authority, please feel free to contact Debbie Nichols, Guaranteed Rural Housing Coordinator of my staff at (503) 414-3337 or by email at debra.nichols@or.usda.gov.



LYNN SCHOESSLER
State Director